

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 9/30/2002**

	As of <u>9-30-02</u>	As of <u>6-30-02</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,039,200,793	\$ 1,172,921,967
INTERNATIONAL EQUITIES	420,952,619	519,746,145
DOMESTIC FIXED INCOME	1,157,722,008	1,194,301,653
INTERNATIONAL FIXED INCOME	118,471,335	130,429,525
REAL ESTATE POOL	165,336,148	163,084,870
VENTURE CAPITAL	96,564,698	72,539,116
INVESTED CASH (NOTE 1)	<u>48,971,429</u>	<u>66,676,990</u>
 TOTAL INVESTMENTS	 3,047,219,030	 3,319,700,266
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	16,200,476	16,125,917
CONTRIBUTIONS/ASSESSMENTS REC	4,820,771	5,783,737
MISCELLANEOUS RECEIVABLES	<u>1,616</u>	<u>76,372</u>
 TOTAL RECEIVABLES	 21,022,863	 21,986,026
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	6,924,694	7,366,262
DUE FROM OTHER AGENCIES (NOTE 3)	75,265	22,148
FIXED ASSETS (NET) (NOTE 4)	<u>6,003</u>	<u>6,003</u>
 TOTAL ASSETS	 <u><u>\$ 3,075,247,855</u></u>	 <u><u>\$ 3,349,080,705</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	2,548,245	2,571,642
ACCRUED EXPENSES	369,540	343,095
DUE TO OTHER AGENCIES (NOTE 5)	<u>75,265</u>	<u>22,148</u>
 TOTAL LIABILITIES	 2,993,050	 2,936,885
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,346,332,984	3,546,640,539
CASH IN DURING YEAR (NOTE 6)	80,977,951	291,500,004
CASH OUT DURING YEAR (NOTE 7)	65,264,000	260,459,909
NET INCREASE (DECREASE)	<u>(289,792,130)</u>	<u>(231,347,650)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>3,072,254,805</u>	 <u>3,346,332,984</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 3,075,247,855</u></u>	 <u><u>\$ 3,349,269,869</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 9/30/2002**

	Month Ended <u>9-30-02</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 9,134,766	\$ 31,286,378
SECURITIES LENDING INCOME	<u>434,589</u>	<u>1,319,501</u>
	9,569,355	32,605,879
 GAIN ON SALE OF INVESTMENTS	 26,583,814	 124,321,394
LOSS ON SALE OF INVESTMENTS	<u>60,869,218</u>	<u>209,807,927</u>
 NET GAINS (LOSSES) INVESTMENTS	 (34,285,404)	 (85,486,533)
 INVESTMENT EXPENSES	 153,024	 2,530,945
SECURITIES LENDING EXPENSES	<u>381,056</u>	<u>1,112,709</u>
 NET INVESTMENT INCOME	 (25,250,129)	 (56,524,308)
 NET APPREC (DEPREC) MARKET VALUE	 (120,158,693)	 (226,631,574)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(796)</u>	<u>4,597,331</u>
 TOTAL INVESTMENT INCOME	 (145,409,618)	 (278,558,551)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,307,805	 7,015,440
PURCHASED SERVICE CREDIT (NOTE 9)	273,314	652,525
PENALTY & INTEREST (NOTE 10)	<u>0</u>	<u>0</u>
 TOTAL ADDITIONS	 <u>(139,828,499)</u>	 <u>(270,890,586)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,002,160	18,052,982
REFUNDS TO MEMBER (NOTE 12)	<u>158,334</u>	<u>532,524</u>
 TOTAL BENEFITS PAID	 6,160,494	 18,585,506
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	70,614	208,965
OPERATING EXPENSES	49,080	107,073
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>119,694</u>	 <u>316,038</u>
 TOTAL DEDUCTIONS	 <u>6,280,188</u>	 <u>18,901,544</u>
 NET INCREASE (DECREASE)	 <u><u>\$ (146,108,687)</u></u>	 <u><u>\$ (289,792,130)</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**September 30, 2002**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

**NOTE 1**                    **INVESTED CASH**

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

**NOTE 2**                    **OPERATING CASH**

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

**NOTE 3**                    **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

**NOTE 4**                    **FIXED ASSETS**

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

**NOTE 5**                    **DUE TO OTHER AGENCIES**

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

**NOTE 6**                    **CASH IN DURING YEAR**

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**NOTE 7**                    **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**9/30/2002**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.